

**BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO**

In the Matter of the Protest of	)	
	)	DOCKET NO. 17234
[REDACTED],	)	
	)	DECISION
Petitioners.	)	
_____	)	

On January 14, 2003, the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission issued a Notice of Deficiency Determination to [Redacted] (taxpayers), proposing income tax, penalty, and interest for taxable years 1998 and 1999 in the total amount of \$4,301.

The taxpayers filed a timely appeal. They did not submit additional information and did not request a conference. Therefore, the Tax Commission, having reviewed the file, hereby issues its decision based upon the information contained in the file.

Because Tax Commission records showed the taxpayers met the state income tax filing requirements and had not filed Idaho returns for the years in question, the Bureau attempted to contact the taxpayers for an explanation of why no Idaho returns had been filed. The taxpayers did not respond to the inquiry.

[Redacted] Idaho Code § 63-3045 (1)(a) states:

**63-3045. Notice of redetermination or deficiency -- Interest.** (1) (a) If, in the case of any taxpayer, the state tax commission determines that there is a deficiency in respect of the tax imposed by this title, the state tax commission shall, immediately upon discovery thereof, send notice of such deficiency to the taxpayer by registered or certified mail or by other commercial delivery service providing proof of delivery, whichever is the most cost efficient. The notice shall be sent to the taxpayer's last address known to the state tax commission. The notice of deficiency shall be accompanied by an explanation of the specific reason for the determination and an explanation of the taxpayer's right to appeal. Within sixty-three (63) days after such notice is mailed, the taxpayer may, at his option, file a protest in writing with the state tax

commission and obtain redetermination of the deficiency.

Because the Bureau could find no record of the taxpayers' 1998 and 1999 Idaho individual income tax returns, the Bureau prepared returns on their behalf and sent them a Notice of Deficiency Determination. [Redacted] responded by letter dated March 12, 2003, that the taxpayers had indeed filed both returns and received refunds. She said she had recently moved and that she is a truck driver but would find the copies of the returns and send them "as soon as I get home."

The Bureau wrote the taxpayers back acknowledging their protest. The Bureau's letter also explained that the Tax Commission could not find any record of the returns being filed or refunds being issued. The Bureau asked the taxpayers to send copies to avoid further action. The taxpayers did not respond to that letter or an additional letter.

Nothing further was heard from the taxpayers and their file was transferred to the Legal/Tax Policy Division for administrative review. The Tax Appeals Specialist sent the taxpayers a letter giving them their options regarding their appeal. However, the letter did not prompt a response.

Tax Commission records show that, during the years 1998 and 1999, the taxpayers were Idaho residents with Idaho sourced income in excess of Idaho's filing requirements. These facts the taxpayers do not deny. In fact, [Redacted] claimed the taxpayers filed their Idaho returns and received refunds. However, they have furnished no substantiation of the claim.

The Bureau sent the taxpayers a deficiency notice and prepared 1998 and 1999 Idaho individual income tax returns on behalf of the taxpayers [Redacted]. Withholding that could be identified in the records retained by the Tax Commission was allowed to offset a portion of the tax.

A Notice of Deficiency Determination issued by the Idaho State Tax Commission is presumed to be accurate. Parsons v. Idaho State Tax Com'n, 110 Idaho 572 (Ct. App. 1986). Having presented no information in support their argument, the taxpayers have failed to meet their burden of proving error on the part of the deficiency determination. Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810 (1984).

WHEREFORE, the Notice of Deficiency Determination dated January 14, 2003, is hereby APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the taxpayers pay the following tax, penalty, and interest.

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
1998	\$ 640	\$160	\$203	\$1,003
1999	2,257	564	552	<u>3,373</u>
			TOTAL	\$4,376

Interest is computed through October 1, 2003.

DEMAND for immediate payment of the foregoing amount is hereby made and given.

An explanation of taxpayers' right to appeal this decision is enclosed with this decision.

DATED this \_\_\_\_ day of \_\_\_\_\_, 2003.

IDAHO STATE TAX COMMISSION

\_\_\_\_\_  
COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that I have on this \_\_\_\_\_ day of \_\_\_\_\_, 2003, served a copy of the within and foregoing DECISION by sending the same by United States mail, postage prepaid, in an envelope addressed to:

[Redacted] \_\_\_\_\_